

Message Text

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ACTION L-01

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FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 5094

C O N F I D E N T I A L CAIRO 6817

LIMDIS

E.O. 11652: GDS

TAGS: EFIN CPRS PFOR EG

SUBJECT: US CLAIMS AGAINST EGYPT (SECOND MEETING
OF JOINT COMMITTEE)

1. THE SECOND MEETING OF THE JOINT COMMITTEE ON
CLAIMS WAS HELD ON JULY 8 AT 1000 HOURS IN UNDERSEC
DEWIDAR'S OFFICE TO CONSIDER LAND REFORM CASES.

2. THE EGYPTIAN SECTION OF 5 MEMBERS STATED THAT,
OF THE 16 CASES LISTED IN SECTION A OF L LIST, TEN
HAD BEEN TRANSFERRED TO THE MINISTRY OF FINANCE
FOR ACTION. FROM THE VIEWPOINT OF EGYPTIAN LAW,
THESE CASES WERE QUOTE IRREVOCABLE UNQUOTE. ONE
CASE WAS SUBJECT TO LEGAL OBJECTION (PLENTL A-7)
IN THAT THE PROPERTY HAD BEEN RELEASED AND SOLD
TO AN EGYPTIAN NATIONAL. ON ANOTHER CASE (HAJJ A-16)
IT HAD NO INFORMATION.

3. US SIDE RESPONDED THAT BECAUSE IT LACKED SUFFICIENT
INFORMATION ON EGYPTIAN ACTION TAKEN IN THE TEN CASES
WHICH HAVE BEEN REFERRED TO THE MINISTRY OF FINANCE,
IT WOULD TAKE CAREFUL NOTE OF THE EGYPTIAN STATEMENT ON
IRREVOCABILITY AND RESERVE ITS POSITION, SINCE IT
WAS WITHOUT AUTHORITY TO AGREE. IT WOULD CONVEY
TO THEM US VIEWS AT A LATER DATE. HUANG NOTED THAT THE
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INFORMATION ON THE HAJJ CASE WAS ALREADY AVAILABLE

IN THE SUMMARY OF THAT CASE. HE FURTHER OBSERVED THAT, UNLESS THE CLAIMANTS HAD EXPRESSLY CONSENTED IN THE TEN CASES REFERRED TO THE FINANCE MINISTRY, THEY MIGHT OBJECT AND IN FACT HAVE OBJECTED, FOR EXAMPLE, TO THE EGYPTIAN CALCULATION OF COMPENSATION ON THE BASIS OF 70 TIMES AMOUNT OF TAX. HAUAN PROPOSED THAT EGYPTIAN SECTION PROVIDE TEXTS OF THE FOLLOWING LAWS CONCERNED WITH LAND REFORM, WITH ENGLISH TRANSLATIONS. LAW NO. 178 OF 1952; LAW NO. 127 FROM 1961; LAW NO. 15 OF 1963 AND LAW NO. 69 OF 1974. SINCE THE 16 CASES WOULD BE DISCUSSED WITH REFERENCE TO THESE LAWS, IT WOULD BE USEFUL TO CONSIDER THEIR CONTENTS AND THEIR APPLICABILITY AND TO REACH AN AGREED INTERPRETATION OF THE PRINCIPLES AND GUIDELINES TO APPLY TO ALL THE CASES TO AVOID TIME-CONSUMING REPETITION. THE EGYPTIAN SECTION AT FIRST AGREED TO THIS PROCEDURE, BUT LATER UNDERSEC DEWIDAR SAID THAT THE JOINT COMMITTEE SHOULD CONSIDER THE SIX REMAINING CASES ONLY ON A CASE-B-CASE BASIS. THE EGYPTIAN SECTION SUBSEQUENTLY PROVIDED TEXTS OF APPLICABLE EGYPTIAN LAWS IN ARABIC. US SIDE REQUESTED THE EGYPTIAN SECTION TO PROVIDE WRITTEN INFORMATION REGARDING THE TEN CASES WHICH HAD BEEN REFERRED TO THE FINANCE MINISTRY AND RESERVED ITS POSITION.

4. IT WAS AGREED THAT THE HAJJ CASE (A-16) BE TRANSFERRED FOR CONSIDERATION TO THE EGYPTIAN SECTION ON NATIONALIZATION SEQUESTRATION CASES. US SIDE SUGGESTED THAT, WHILE IT AGREED TO A TRANSFER, THIS WAS TO BE WITHOUT PREJUDICE TO THE CONSIDERATION OF ALL THE CASES AS A PACKAGE.

5. EGYPTIAN SECTION RESERVED CONSIDERATION OF THE GUEUKMENIAN CASE (A-4) AND INTIMATED THAT BECAUSE OF THE SMALL SUM INVOLVED, IT BE DROPPED. US SIDE POINTED OUT THAT THE SMALL CLAIMANT WAS LEGALLY ENTITLED TO HAVE HIS CLAIM CONSIDERED ON THE SAME BASIS AS A LARGE CLAIMANT AND, IN PRINCIPLE, THE US SIDE COULD NOT AGREE TO SUCH A STEP BECAUSE CONFIDENTIAL

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WE WOULD BE SUBJECT TO HEAVY CRITICISM.

6. NADLER CASE (A-6) THE EGYPTIAN SECTION STATED THAT NADLER WAS SUBJECT TO LAW NO. 15 OF 1963 AS AN EGYPTIAN NATIONAL AND THAT AS SUCH HE HAD NOT MADE AN APPLICATION WITH THE PROPER EGYPTIAN AUTHORITIES REGARDING HIS EGYPTIAN NATIONALITY AND HIS CLAIM. THE PROVISIONS OF THE LAW NO. 78

OF 1952 AND LAW NO. 127 OF 1961 APPLY TO NADLER AS AN EGYPTIAN NATIONAL. THEREFORE HE HAD NO LEGAL BASIS NOW TO FILE A CLAIM. HUANG RESPONDED THAT IT WAS TRUE THAT IN 1961, WHEN THE NADLER BROTHERS' PROPERTIES WERE PLACED UNDER SEQUESTRATION PURSUANT TO PROCLAMATION NO. 138 OF OCT 1961, NADLER WAS STILL AN EGYPTIAN NATIONAL. HOWEVER, LEGALLY AND IN FACT THERE HAD BEEN NO TAKING OF THE PROPERTIES IN QUESTION SINCE TITLE IN THE PROPERTIES HAD NOT PASSED TO THE EGYPTIAN STATE. TITLE PASSED BY VIRTUE OF LAW NO. 72 OF AUG 8, 1968. NADLER HAD BECOME AN AMERICAN CITIZEN BY NATURALIZATION ON APRIL 15, 1968 AND THEREFORE HAD A LEGAL RIGHT TO FILE A CLAIM. AS TO THE FACTS AND PROPERTIES, HUANG POINTED OUT THAT THE SEQUESTRATOR GENERAL HAD IN THE PAST ISSUED A REPORT ON ANOTHER NADLER BROTHER UNDER THE ITALIAN SETTLEMENT AGREEMENT. THE EGYPTIAN SECTION UNDERTOOK TO EXAMINE THE CASE FURTHER.

8. THE AMERICAN MISSION CASE (A-1) THE EGYPTIAN SECTION STATED THAT 8 OUT OF THE 12 FEDDANS OF LAND INVOLVED WERE IN FACT DESIGNATED AGRICULTURAL LAND SUBJECT TO LAW NO. 15 OF 1963, AND THE CASE THEREFORE WAS COGNIZABLE BY THE JOINT COMMITTEE. DEWIDAR SAID THAT THEY WERE PRACTICAL PROBLEMS FOR THE EGYPTIANS, SINCE THE OTHER PARTS OF THE PROPERTIES CONCERNED WERE BUILDING LAND AND SOME OF THEM HAD ALREADY BEEN UTILIZED AND PROCEEDINGS WERE ALSO PENDING IN THE COURTS. THE UNUSED AGRICULTURAL LAND WOULD BE RETURNED WITHOUT ANY PROBLEM. THE DISCUSSION WAS INCONCLUSIVE WITH THE EGYPTIAN SIDE ASKING FOR INFORMATION ON CONFIDENTIAL

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THE CASE. (NOTE: THE AMBASSADOR HAD ON JULY 7 (CAIRO 6676) DISCUSSED OFFICIAL/GOVERNMENT CLAIMS AND AMERICAN MISSION CASE WITH DEP PM/FONMIN FAHMY AND AGREEMENT HAD BEEN REACHED THAT THESE CASES WOULD BE HANDLED BY MINISTER OF STATE FOR FOREIGN AFFAIRS MOHAMMED RIAD. THIS WILL BE POINTED OUT TO THE EGYPTIAN SIDE AT THE NEXT SESSION.)

9. IN THE COURSE OF DISCUSSIONS DEWIDAR AGAIN REVERTED TO THE POSSIBILITY OF AGREEING ON A DRAFT AGREEMENT AND HAVING THE AMOUNT OF COMPENSATION DETERMINED LATER BY A SEPARATE JOINT COMMITTEE ON COMPENSATION. HUANG REPLIED THAT HE WAS WITHOUT AUTHORITY TO AGREE TO THE PROPOSAL, BUT WOULD REPORT IT TO HIGHER US AUTHORITIES FOR CONSIDERATION.

10. NEXT MEETING (THIRD) SCHEDULED FOR TOMORROW
WED JULY 9 9 TO CONSIDER SEQUESTRATION CASES.
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